

~~CONFIDENTIAL~~

ER 8-9151

11 January 1957

**MEMORANDUM OF MEETING OF HOUSE APPROPRIATIONS
SUBCOMMITTEE**

This memorandum is for the Director's information.

1. The Director appeared today before the House Appropriations Subcommittee on CIA. Members present were: Chairman Cannon and Messrs. Mahon, Sheppard, Taber and Wigglesworth, together with Staff member Grescan. The Director was accompanied by Gen. Cabell and Messrs. Amory, Saunders and Paul.
2. The meeting had been called at the request of the Chairman, for the purpose of giving the Committee a general briefing on the world situation. The Director handed out to the members a chronology of important Soviet Bloc and free world events during 1956. He began his oral presentation with an appreciation of the significance of the Soviet 20th Party Congress. The Director was not permitted to complete a run down of the year's events, although he did have an opportunity during the course of questioning to comment on events in the Middle East and in the satellites. In answer to a question from the Chairman, the Director said he did not believe that the Soviet Union would deliberately take a step which in their opinion would participate a war.
3. Mr. Cannon asked a number of questions. Apart from the substance of world events and Soviet intentions, he was interested in the means by which the Agency recruited its personnel. The Director and General Cabell answered his question, with particular reference to the recruiting which we attempt to do through contacts with colleagues throughout the country. During the course of the discussion on personnel, the Director was able to explain the executive pay increases which he had effected last summer following enactment of the executive pay legislation. He gave the numbers of persons now in the higher pay categories, and indicated that he might slot additional positions of that nature in the future. There was no objection expressed by any Committee members to this action.
4. Although his purpose was not clear at the time, Mr. Cannon was very interested in a statement as to the areas in which we were

CONFIDENTIAL

most deficient. The Director, while not admitting that the Agency was inefficient, pointed out that we would of course like to know a lot more about what is going on within the Kremlin, for example, and our need and intention to focus more of our attention to areas such as Africa and Latin America.

5. The Chairman reiterated his belief that U. S. intelligence failed regarding the Korean invasion in 1950. There was some discussion of the initial invasion of June of that year and of the Chinese Communist invasion from the Yalu river later on in the campaign. The Director pointed out whereas he could not state positively whether the initial intelligence had been good or bad, he was certain that intelligence indications had identified the danger of Chinese Communist invasion long before it actually occurred. In connection with the question of U. S. intelligence performance, the Director made a special point of indicating that United States intelligence was on top of the Middle East situation, both with regard to the Israeli attack and with regard to the subsequent British and French intervention.

6. There was some discussion of the building problem, in the course of which the Director indicated that we were several million dollars shy of the funds needed to construct a building adequate to house all of our personnel and essential activities. Although he was not in a position to make any such request now, he wished to go on record as indicating to the Committee that this was a matter which might be brought up at some later stage during this session. There was no specific reaction from the members during the meeting, although Mr. Mahon exchanged a few words with the Director on the subject later.

7. A great deal of time was spent by the Chairman in describing the recent trip to the Soviet Union by Mr. Whittam of the Appropriations Committee and two staff members. According to Mr. Cannon, Mr. Whittam was briefed in advance by the Army as to what to look for in the Soviet Union; he saw all of the places that he wanted to visit, including industrial plants; he took pictures without any limitations whatsoever, and some of the pictures he brought back were the first pictures ever brought out of the Soviet Union on certain aspects of the Russian economy, such as different gauges of railroad tracks, etc. After reciting Mr. Whittam's accomplishments, the Chairman asked the Director why CIA was unable to get any of this type of information, whereas a Congressman could go over and obtain it at will. The Director denied that we were unable to get this kind of information and respectfully indicated to the Chairman that he doubted that Mr. Whittam had seen anything which the Soviet did not want to show him. He stated further that we had started

CONFIDENTIAL

~~CONFIDENTIAL~~

of photographs of the same types of items which Mr. Whitten evidently photographed. He added that he had requested an opportunity to meet with Mr. Whitten, and that he hoped to do so in the near future.

Norman S. Paul
Legislative Counsel

IG/LC:NSPaul:fm

Distribution:

- O & 1 - DCI
- 1 - DDCI
- 1 - DD/I
- 1 - DD/S ✓
- 1 - DD/P
- 1 - Comptroller
- 1 - OGC
- 2 - Leg. Counsel

~~CONFIDENTIAL~~